

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:452
ANSWERED ON:25.02.2010
MODERNISATION IN TEXTILE SECTOR
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Will the Minister of TEXTILES be pleased to state:

- (a) whether the Government proposes to modernise the powerloom, handloom and textile units in the country;
- (b) if so, the specific programmes chalked out for this purpose;
- (c) the amount of funds proposed to be spent thereon during the current five year plan and the amount of funds spent during each of the last three years, head-wise;
- (d) whether any foreign assistance has been provided for the modernisation of the said units; and
- (e) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF TEXTILES SMT. PANABAAGA LAKSHMI)

(a) to (e): Yes, Government commissioned Technology Upgradation Fund Scheme (TUFS), for modernisation and technology upgradation in the textile sector on 01.04.1999 initially for a period of 5 years. The Scheme aims at making available funds to the domestic textile industry for technology upgradation of existing units as well as to set up new units with state-of-the-art technology so that its viability and competitiveness in the domestic as well as international markets may enhance. The Scheme, which has now been extended up to 31.03.2012, has been fine-tuned to catapult the rapid investments in the targeted segments of the textile industry. It is a credit linked scheme and provides interest reimbursement of 5% points on the interest charged by the lending agency on a TUFS compatible machinery / project. The scheme provides an additional option to the powerloom units to avail of 20% Margin Money subsidy in lieu of 5% interest reimbursement on investment in TUF compatible machinery. The scheme also provides 15% Margin Money subsidy for SSI textile and jute sector in lieu of 5% interest reimbursement. The scheme provides 5% interest reimbursement plus 10% capital subsidy for specified processing, technical textile and garmenting machineries. The allocation under the Scheme for the current five year Plan period i.e 2007-2012 is Rs. 8000 crore.

The year-wise progress of the TUFS Scheme is as under: (Rs. in crore)

Period	Received		Sanctioned		Disbursed					
	No.	of applications	Project Cost	No.	of applications	Project Cost	Amount	No.	of applications	Amount Subsidy
1999-00	407	5771	309	5074	2421	179	746	1		
2000-01	719	6296	616	4380	2090	494	1863	70		
2001-02	472	1900	444	1320	630	401	804	198.89		
2002-03	494	1835	456	1438	839	411	931	202.59		
2003-04	867	3356	884	3289	1341	814	856	249.06		
2004-05	986	7941	986	7349	2990	801	1757	283.60		
2005-06	1086	16194	1078	15032	6776	993	3962	485		
2006-07		12336	61063	12589	66233	29073	13168	26605	823.92	
2007-08	2408	21254	2260	19917	8058	2207	6854	1143.37		
2008-09(P)	6113	56542	6072	55707	24007	6111	21826	2632.00		
2009-10 (upto Sept.2009)	584	7065	583	7065	1158	584	1019	2576.00		
As on 30.09.2009 (P)	26472	189218	26277	186804	79383	26163	67223	8665.438		

As regards Powerloom Sector is concerned, the amount spent under 20% capital subsidies during the last 3 years are given below. (This amount is included in total amount spent under TUFS table above)

(in Rs crore)

Year Amount Spent under 20% CLCS

2007-08 35.92

2008-09 32.48

2009-10
(as on 27.01.10) 22.63

Total 91.03

Integrated Handlooms Development Scheme (IHDS) has been introduced for its implementation during the XI Plan as a Centrally Sponsored Plan Scheme for the development of Handlooms Sector and welfare of handlooms weavers. The scheme aims to focus on formation of weavers group as a visible entity, develop the Handlooms Weavers Groups to become self-sustainable, inclusive approach to cover weavers both within and outside the Cooperative fold, skill up-gradation of handlooms weavers/ workers to produce diversified products with improved quality to meet the market requirements, provide suitable workplace to weavers to enable them to produce quality products with improved productivity etc.

The handlooms weavers, who are not covered by clusters, are benefited by a "Group Approach" in a project mode for development of handloom weavers. A Group should have preferably 10 weavers or more which can be in the form of SHG/ Primary Weavers Cooperative Society/ other independent/ individual weaves. Assistance to such a group of weavers are being provided for (i) Basic inputs; (ii) Training Programme in weaving, dyeing, designing and managerial disciplines; and (iii) Construction of Workshop. The main components of the scheme are (i) Cluster Development Programme; (ii) Group Approach; (iii) Marketing Incentive and (iv) Strengthening of Handloom Organizations. Basic input is one of the components under the Scheme. Financial assistance is provided towards margin money, purchase of new loom, dobby, jacquard and accessories. Financial assistance provided towards purchase of new loom, dobby, jacquard, accessories. Setting up of Common Facility Centers, setting up/up-gradation of Dye House etc. under Cluster Development Programme and Group Approach Projects of IHDS during 2007-08 2008-09 and 2009-10 (upto January 2010) is as under:

Components	Funds released (Rs. in lakh)			
	2007-08	2008-09	2009-10	(As on January 2010)
New Looms	184.17	426.54	234.83	
Dobby	73.61	73.99	54.66	
Jacquard	90.58	146.18	1.77	
CFC/Upgradation/ Modernization of Dye-House	82.83	426.75	230.63	
Total	431.19	1073.46	521.89	

The Government under its centrally sponsored scheme "Catalytic Development Programme (CDP)" through Central Silk Board (CSB), a statutory body under the Ministry of Textiles, providing support for the establishment of Central Silk Technological Research Institute (CSTRI) Certified Improved Handlooms, Shuttle less Looms in the silk sector. During the XIth Plan, the following CDP schemes pertaining to the weaving sector covering both handloom & shuttle-less weaving are being implemented in the country covering all the States:

- (i) Support for establishment of CSTRI Certified improved Handlooms
- (ii) Support for loom upgradation
- (iii) Support for establishment of Computer Aided Textile Design (CATD)
- (iv) Support for establishment of Shuttle-less looms

Physical and Financial Target/Achievement under CDP during the current five year Plan (XIth Plan) and progress made during the last three years (2007-08, 2008-09 & 2009-10 (upto January 2010)) is as under:

(Unit: Physical in Nos & Fin. Rupees in Lakhs)

Scheme	Target for XIth Plan				Achievement during the last 3 years			
	Physical		Financial		Physical		Financial	
Support for establishment of CSTRI certified handlooms	2000	322.00	2470	367.60				
Support for loom up-gradation	5000	310.00	2711	146.89				

Support for establishment of CATD 50 163 84 226.50

Support for establishment of Shuttle less looms 20 500.00 22 550.00

(Up to January 2010)

No foreign assistance has been provided for the modernization of any units under Central Sector Schemes